

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO JBC Members  
FROM JBC Staff  
DATE March 21, 2018  
SUBJECT Comeback Packet 7

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Included in this packet are staff comeback memos for the following items:

**Capital Construction** (Alfredo Kemm): Additional CDC Recommendations.

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee  
FROM Alfredo Kemm, JBC Staff (303.866.4549)  
DATE March 21, 2018  
SUBJECT Capital Construction figure setting comeback – Additional CDC Recommendations

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This morning the Capital Development Committee made additional recommendations related to their prioritized list of capital projects. The CDC has reprioritized and recommended for funding an additional \$98.3 million state funds; representing \$114.9 million more than the Committee's initial approved amount for state-funded projects. Attached is the letter from the CDC outlining their additional recommendations.

To summarize:

- Per the Committee's request, the CDC has reconsidered the Fire Alarm System Replacement project for the Arkansas Valley Correctional Center and recommends the project for funding at a cost of \$2.5 million Capital Construction Fund.
- The CDC also recommends funding the Department of Transportation's, Eisenhower-Johnson Memorial Tunnels Electrical System project for \$1.0m Capital Construction Fund. This is prioritized item #53 on the OSPB prioritization list.
- The CDC further recommends funding the FY 2019-20 out-year costs for projects recommended for funding, representing a total of \$94.7 million Capital Construction Fund. The CDC recommends that this amount be further prioritized to fund projects with an out-year cost below \$5.0 million and then in priority order. Staff believes this means prioritizing out-year funding for projects as follows:
  - #3 – DHS-DYS Facility Refurbishment (+\$1.8m)
  - #11 – ASU Plachy Hall HVAC Upgrade (+\$2.0m)
  - #4 – OIT Public Safety Microwave Infrastructure Replacement (+\$10.3m)
  - #7 – CSU Shepardson Building Renovation (+\$13.5m)
  - #8 – FRCC Health Care Career Center (+\$11.9m)
  - #9 – CU Denver-Anschutz Center for Personalized Medicine Building (+\$19.8m)
  - #15 – DHS CMHI Fort Logan Upgrade Campus Utility Infrastructure (+\$10.4m)
  - #18 – FLC Whalen Gymnasium Renovation (+\$24.9m).
- The CDC also approved a recommendation to transfer \$150,000 from the State Historical Fund to the Department of Personnel to complete specific controlled maintenance projects for the Governor's Mansion, begun last year.

Last year an appropriation of \$1.0 million General Fund was located in the Department of Personnel operating budget as included in a Long Bill conference committee amendment. That appropriation has been approved by the Committee to be continued for FY 2018-19 in the Department of Personnel operating budget for additional controlled maintenance projects for the Governor's Mansion. If a

MEMORANDUM - CAPITAL CONSTRUCTION FIGURE SETTING COMEBACK – ADDITIONAL CDC  
RECOMMENDATIONS  
MARCH 21, 2018

\$150,000 transfer from the State Historical Fund for this purpose is approved by the Committee, **staff recommends:**

- **that this transfer from the State Historical Fund be made to the Capital Construction Fund;**
- **that the project be reflected in the controlled maintenance section of the capital construction budget with the project title, "Historical Property Rehabilitation"; and**
- **that the \$1.0 million General Fund approved in the operating budget be moved to this project line item for this purpose.**

The \$150,000 amount is anticipated to complete last year's controlled maintenance project. This leaves \$850,000 of the annual, \$1.0 million funding from the State Historical Fund for State Capitol Building-related projects, for renovation of the Old Supreme Court Chambers in the State Capitol Building, which is estimated to complete that project.

Additionally, the CDC discussed the Grand Junction Regional Center project prioritized #14 on the CDC's original recommendation list and recommended as a transfer to the Grand Junction Regional Center Campus Transition Fund. The CDC did not reach a decision for recommendation of a project.

The following table outlines recommended capital construction appropriations for FY 2018-19 as guided by CDC recommendations based on the CDC's actions today. This table replaces the table included in the March 8<sup>th</sup> staff figure setting document as it relates to CDC recommendations. Also reflected in the table is the JBC's prior decision to fund approximately \$135 million in state-funded projects, through CDC priority #18.

FY 2018-19 Capital Construction Recommended Appropriations - CDC 3/21/18						
CDC	OSPB	CCHE		Total Funds	Capital Construction Fund	CF/RF/FF
Priority	CDC State-funded Prioritized Recommendations for Funding					
1	1		Level I Controlled Maintenance	15,130,478	15,130,478	0
2	2		DHS: DYC Adams YSC Replacement (ph. 3 of 3)	15,499,760	15,499,760	0
3	3		DHS: DYC Facility Refurbishment (ph. 5 of 6)	5,904,772	5,904,772	0
4	4		GOV-OIT: Microwave Infrastructure Replacement	10,316,372	10,316,372	0
5	5		GOV-OIT: Public Safety Communications Network - Microwave Software Upgrade	7,184,143	7,184,143	0
6	6		HED: CSM Green Center Roof Replacement (CR)	13,183,585	6,591,793	6,591,792
7	20	5	HED: CSU Shepardson Addition and Renovation	4,527,223	4,527,223	0
8	9	2	HED: FRCC Larimer Campus Health Care Career Center	18,841,895	14,118,684	4,723,211
9	10	2	HED: UC-Denver CU Anschutz - Center for Personalized Medicine and Behavioral Health	156,659,999	12,346,906	144,313,093
10	27	12	HED: CSU-P Psychology Building Renovation and Remodel	16,812,751	16,812,751	0
11	29	14	HED: ASU Plachy Hall HVAC Upgrade (CR)	3,252,559	3,252,559	0
12	51		CDOT: San Luis Valley Doppler Weather Radar Partnership	302,000	302,000	0
13	12	n/a	HED: CSU Water Resources Center and NWC Land Acquisition Program Plan	0	0	0
14	8		<b>GF TRANSFER to Grand Junction Regional Center Campus Transition Fund</b>	5,247,932	5,247,932	0

MEMORANDUM - CAPITAL CONSTRUCTION FIGURE SETTING COMEBACK – ADDITIONAL CDC  
RECOMMENDATIONS  
MARCH 21, 2018

FY 2018-19 Capital Construction Recommended Appropriations - CDC 3/21/18							
CDC	OSP	CCHE		Total Funds	Capital Construction Fund	CF/RF/FF	Cumulative CCF
Priority	CDC State-funded Prioritized Recommendations for Funding						
15	13		DHS: CMHIFL Campus Utility Infrastructure Upgrade, ph 1 of 3 (CR)	8,935,147	8,935,147	0	126,170,520
16	16		GOV-OIT: Replace Microwave Towers D Group (CR)	3,246,549	3,246,549	0	129,417,069
17	21	6	HED: WSCU Maintenance Garage - Mountain Search and Rescue	3,662,912	3,462,912	200,000	132,879,981
18	22	7	HED: FLC Whalen Gymnasium Expansion and Renovation for Exercise Science (CR)	3,336,956	3,003,260	333,696	135,883,241
JBC Initial Approved Funding				\$292,045,033	\$135,883,241	\$156,161,792	
19	24	8	HED: CMU Electric Lineworker Building	1,544,486	1,473,361	71,125	137,356,602
20	18		Level II Controlled Maintenance (through score 12, 16 projects)	15,219,126	15,219,126	0	152,575,728
CDC Feb 15 Prioritization List				\$308,808,645	\$152,575,728	\$156,232,917	
21	7		DOC: AVCF Fire Alarm System Replacement	2,543,505	2,543,505	0	155,119,233
22	53		CDOT: Eisenhower Johnson Memorial Tunnels (EJMT) Electrical System	1,000,000	1,000,000	0	156,119,233
23	np		Fund FY 2019-20 Out-year Costs:	112,579,796	94,710,723	17,869,073	250,829,956
a			DHS: DYC Facility Refurbishment (ph. 6 of 6)	1,782,200	1,782,200	0	157,901,433
b			HED: ASU Plachy Hall HVAC Upgrade (CR)	2,028,475	2,028,475	0	159,929,908
c			GOV-OIT: Microwave Infrsatructure Replacement	10,316,372	10,316,372	0	170,246,280
d			HED: CSU Shepardson Addition and Renovation	13,482,700	13,482,700	0	183,728,980
e			HED: FRCC Larimer Campus Health Care Career Center	15,623,484	11,927,424	3,696,060	195,656,404
f			HED: UC-Denver CU Anschutz - Center for Personalized Medicine and Behavioral Health	31,251,986	19,846,986	11,405,000	215,503,390
g			DHS: CMHIFL Campus Utility Infrastructure Upgrade, ph 2 of 3 (CR)	10,414,444	10,414,444	0	225,917,834
h			HED: FLC Whalen Gymnasium Expansion and Renovation for Exercise Science (CR)	27,680,135	24,912,122	2,768,013	250,829,956
Subtotal - CDC Prioritized All Recommendations for Funding				\$424,931,946	\$250,829,956	\$174,101,990	
CDC Additional Recommendations				\$116,123,301	\$98,254,228	\$17,869,073	
CDC Total Recommended over JBC initial approval amount				\$132,886,913	\$114,946,715	\$17,940,198	
CDC Cash-funded Non-prioritized Recommendations for Funding							
			DHS: VCLC Homelake McCandless Fall Prevention, Fire Control, Video	781,900	0	781,900	
			DNR: Wildlife Infrastructure	6,859,315	0	6,859,315	
			DNR: Parks Infrastructure and Facilities	16,805,025	0	16,805,025	
			HistCO: Regional Property Preservation Projects	700,000	0	700,000	
Subtotal - CDC Cash-funded NP Recs.				25,146,240	0	25,146,240	
Total - CDC All Recommendations for Funding				\$450,078,186	\$250,829,956	\$199,248,230	

Sen. Randy Baumgardner, Chair  
Sen. John Kefalas  
Sen. Jerry Sonnenberg

Rep. Daneya Esgar, Vice-Chair  
Rep. Jon Becker  
Rep. Chris Hansen



## Capital Development Committee

State Capitol Building, Room 029  
Denver, Colorado 80203-1784  
(303) 866-3521



March 21, 2018

Representative Millie Hamner, Chair  
Joint Budget Committee  
200 East 14th Avenue, Third Floor  
Denver, CO 80203

Dear Representative Hamner:

The Capital Development Committee (CDC) met today to revisit the prioritized capital funding recommendation it made to the Joint Budget Committee (JBC) on February 15, 2018. The committee made some adjustments to the priority order of projects listed below the recommended funding line in response to information presented in the most recent economic forecast showing surplus General Fund revenue in excess of the statutory General Fund reserve in both FY 2017-18 and FY 2018-19. A revised list is included as Attachment A for your reference.

The committee made the following changes to its priority order of projects listed below the recommended funding line:

(1) the Level 2 Controlled Maintenance projects, scores 14 through 20, listed below the line were moved to the end of the list. The CDC contends that the Level 2 Controlled Maintenance projects listed above the line are the most critical projects and require immediate funding, while the remaining projects are less critical and do not need to be funded in the next budget year. Furthermore, since Senate Bill 17-267 makes money available for a large number of controlled maintenance projects in FY 2018-19, the CDC is cognizant of potential challenges associated with managing a higher-than-usual volume of projects beginning in the same budget year;

(2) the Eisenhower-Johnson Memorial Tunnels Electrical System, Colorado Department of Transportation project was moved from the end of the list to priority order #22. The CDC believes this project makes critical improvements to address deferred maintenance. The project installs new electrical controllers on the ventilation and exhaust fans in the tunnel for both cost savings and operational efficiencies; and

(3) the FY 2019-20 costs of projects recommended for funding in FY 2018-19 were added as priority order #23. The FY 2019-20 costs associated with the recommended FY 2018-19 projects

are almost \$100 million. If the JBC opts to fund some or all of these FY 2019-20 costs in FY 2018-19, it will eliminate almost all of the continuation projects on the capital list, which, in turn, will allow new projects to be considered for FY 2019-20. The CDC listed the FY 2019-20 costs associated with the recommended projects largely in priority order, with the exception of the Plachy Hall HVAC Upgrade and Replacement (Capital Renewal), Adams State University project, which it recommends as subpriority #2 within this line.

The committee did not make any other adjustments to its list as submitted in February.

The CDC did consider whether to modify its priority #14 recommendation to recommend a project-specific appropriation. Priority order #14 recommends that the capital transfer bill include a transfer of about \$5.2 million General Fund to the Grand Junction Regional Center (GJRC) Campus Transition Fund. The committee did not reach a consensus on the question of making a project-specific appropriation recommendation. The committee was split between two options with regard to how Intermediate Care Facilities (ICF) services will be provided in the Grand Junction region following the closure of the GJRC campus. The two options are detailed below:

(1) Recommend an appropriation of \$6,422,682 to the Department of Human Services, including \$5,247,932 General Fund and \$1,174,750 cash funds (GJRC Campus Transition Fund) to construct four, six-bedroom homes in the Grand Junction region for the residents of the GJRC campus. Further recommend that the 29 Road home be sold; or

(2) Recommend an appropriation of \$325,000 cash funds (GJRC Campus Transition Fund) to the Department of Human Services to relicense three Home and Community Based Services group homes to ICF and to renovate the 29 Road Home in Grand Junction. Further recommend that the JBC pursue, as needed, leasing a soon-to-be-vacated home owned by the local community centered board in order to increase ICF services in the region. Finally, recommend to the JBC that the state consider leasing the 29 Road Home to the local community centered board after it is renovated to be operated as an ICF home, if the reimbursement rates to community providers are determined to be commensurate with the level of services provided.

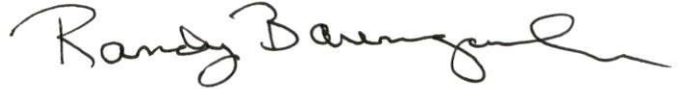
The CDC is aware that the JBC may take action this week to recommend a project-specific appropriation addressing the GJRC Campus Relocation and Closure project. It does not expect to meet with the JBC to discuss any change that may be made to the CDC's prioritized recommendation.

In addition to discussing the priority order list, the committee also voted to recommend to the JBC the inclusion of an October 1, 2018 transfer of \$150,000 from the State Historical Fund to the Department of Personnel and Administration (DPA) in the 2018 capital transfer bill for maintenance and historical renovation of the Governor's mansion. In FY 2017-18, \$1.0 million General Fund was appropriated through the operating budget to the maintenance and historical renovation line in DPA. The appropriation began exterior repairs to the Governor's residence, including repairs to the building façade and gutters, downspouts, and storm water lines. The scope of work was identified as the most critical in a recent historic structures assessment commissioned by DPA. The \$150,000 requested for FY 2018-19 completes the project that was commenced under the \$1.0 million appropriation and restores windows and storm windows at the mansion.

Representative Millie Hamner  
March 21, 2018  
Page 2

If you have any questions, please call Kori Donaldson, Legislative Council Staff, at 303-866-4976.

Sincerely,

A handwritten signature in black ink, reading "Randy Baumgardner". The signature is fluid and cursive, with a long horizontal flourish at the end.

Senator Randy Baumgardner  
Chair, Capital Development Committee

c: Capital Development Committee Members  
Joint Budget Committee Members  
Alfredo Kemm, Joint Budget Committee Staff  
John Ziegler, Joint Budget Committee Staff  
Jason Schrock, Governor's Office of State Planning and Budgeting  
Henry Sobanet, Governor's Office of State Planning and Budgeting  
Capital Development Committee Staff

**FY 2018-19 Capital Budget Recommendation**  
*Listed first in CDC order and then in OSPB Priority order*

CDC Priority	OSPB Priority	Project Title	Agency	Project Type	Request Amount -- CCF	Cumulative	Request Amount -- CF	FY 2019-20 CCF
1	1	Level 1 Controlled Maintenance (23 projects)	DPA	New	\$15,130,478	\$15,130,478	\$0	N/A
2	2	Adams County Youth Services Center Replacement	DHS	Continuation	15,499,760	30,630,238	0	No
3	3	Facility Refurbishment for Safety, Risk Mitigation, and Modernization, DYS	DHS	Continuation	5,904,772	36,535,010	0	1,782,200
4	4	Public Safety Communications Network Microwave Infrastructure Replacement	OIT	Continuation	10,316,372	46,851,382	0	10,316,372
5	5	Digital Trunked Radio System, Software Upgrade	OIT	Continuation	7,184,143	54,035,525	0	No
6	6	Green Center Roof Replacement (Capital Renewal)	CSM	Continuation	6,591,793	60,627,318	6,591,792	No
7	20	Shepardson Building Renovation and Expansion	CSU	Previously Requested	4,527,223	65,154,541	0	13,482,700
8	9	Health Care Career Center	FRCC	Previously Requested	14,118,684	79,273,225	4,723,211	11,927,424
9	10	Colorado Center for Personalized Medicine Building	CJ Denver (Anschutz)	Previously Requested	12,346,906	91,620,131	144,313,093	19,846,986
10	27	Psychology Building Renovation and Addition	CSU — Pueblo	Previously Requested	16,812,751	108,432,882	0	No
11	29	Plachy Hall HVAC Upgrade and Replacement (Capital Renewal)	ASU	Previously Requested	3,252,559	111,685,441	0	2,028,475
12	51	San Luis Valley Doppler Weather Radar Partnership	CDOT	New	302,000	111,987,441	600,000	No
13	12	Water Resources Center (National Western COP)*	CSU	Outyear Projection	0	111,987,441	0	Yes
14	8	Transfer to Grand Junction Regional Center Campus Transition Fund	DHS	New	5,247,932	117,235,373	0	No
15	13	Upgrade Campus Utility Infrastructure, CMHI at Fort Logan (Capital Renewal)	DHS	Previously Requested	8,935,147	126,170,520	0	10,414,444
16	16	Microwave Tower Replacement, Group D (Capital Renewal)	OIT	New	3,246,549	129,417,069	0	No
17	21	Vehicle Maintenance and Mountain Search and Rescue Garage	WSCU	New	3,462,912	132,879,981	200,000	No
18	22	Whalen Gymnasium Expansion and Renovation, Exercise Science	FLC	Previously Requested	3,003,260	135,883,241	333,696	24,912,122
19	24	Electric Lineworker Building	CMU	Continuation	1,473,361	137,356,602	71,125	No
20	18	Level 2 Controlled Maintenance (through score 12, 16 projects)	DPA	New	15,219,126	152,575,728	0	N/A
<b>Subtotal, Projects Recommended for Funding by CDC</b>					<b>\$152,575,728</b>	<b>\$152,575,728</b>	<b>\$156,832,917</b>	<b>\$94,710,723</b>
21	7	Fire Alarm System Replacement, Arkansas Valley Correctional Facility (Capital Renewal)	DOC	New	2,543,505	155,119,233	0	No
22	53	Eisenhower-Johnson Memorial Tunnels Electrical System	CDOT	New	1,000,000	156,119,233	0	No
23		Fund FY 2019-20 Outyear Costs in FY 2018-19 as follows: 1. Facility Refurbishment for Safety, Risk Mitigation, and Modernization, DYS 2. Plachy Hall HVAC Upgrade and Replacement (Capital Renewal) 3. Public Safety Communications Network Microwave Infrastructure Replacement 4. Shepardson Building Renovation and Expansion 5. Health Care Career Center 6. Colorado Center for Personalized Medicine Building 7. Upgrade Campus Utility Infrastructure, CMHI at Fort Logan (Capital Renewal) 8. Whalen Gymnasium Expansion and Renovation, Exercise Science	DHS ASU OIT CSU FRCC CU Denver (Anschutz) DHS FLC					N/A

# FY 2018-19 Capital Budget Recommendation (Cont.)

Listed first in CDC order and then in OSPB Priority order

CDC Priority	OSPB Priority	Project Title	Agency	Project Type	Request Amount – CCF	Request Amount -- CF	FY 2019-20 CCF
	11	Health Sciences, PA/PT/OT Center	CMU	New	4,302,087	881,150	Yes
	14	Upgrade Campus Utility Infrastructure, CMHI at Pueblo (Capital Renewal)	DHS	Previously Requested	15,537,566	270,669,609	0 Yes
	15	Replace Windows, CMHI at Fort Logan (Capital Renewal)	DHS	New	1,676,384	272,345,993	0 No
	17	State Lab Build Out	CDPHE	New	2,933,226	275,279,219	0 No
	19	Hellens Arts and Sciences Building Renovation	CU Boulder	Previously Requested	3,180,000	278,459,219	4,065,000 Yes
	23	Engineering and Physical Sciences Building	CU Denver (Auraria)	Previously Requested	13,210,182	291,669,401	4,403,394 Yes
	25	King Center Renovation and Addition	AHEC	Previously Requested	45,849,564	337,518,965	465,000 Yes
	26	Replace Heating Plant Boiler #3 (Capital Renewal)	UNC	Previously Requested	3,533,110	341,052,075	0 No
	28	Guggenheim Geography Building Renovation	CU Boulder	Outyear Projection	985,612	342,037,687	1,478,416 Yes
	30	Performing Arts Expansion and Renovation	CMU	Previously Requested	8,228,384	350,266,071	813,797 No
	31	Boulder Creek Building	CCD	Previously Requested	23,258,852	373,524,923	1,484,608 No
	32	Freudenthal Library Renovation	TSJC	Outyear Projection	1,918,008	375,442,931	19,374 No
	33	Gray Hall Mechanical Systems Improvements (Capital Renewal)	UNC	Previously Requested	\$3,287,659	378,730,590	\$0 No
	35	Trigeneration (Combined Cooling, Heating, and Power System)	CMU	Previously Requested	6,585,350	385,315,940	651,299 No
	36	College of Nursing and Student Services Renovation	CU Denver (Anschutz)	New	8,145,216	393,461,156	8,145,216 No
	38	Anatomy/Zoology East Wing Revitalization (Capital Renewal)	CSU	Previously Requested	15,784,650	409,245,806	0 No
	40	Chemistry B and C Wing Renovation (Capital Renewal)	CSU	Previously Requested	24,951,150	434,196,956	0 No
	41	Campus Infrastructure Project	CSM	New	6,000,000	440,196,956	0 No
	43	Engineering and Applied Science (EAS) Renovation	UCCS	Previously Requested	8,405,336	448,602,292	0 Yes
	50	Facility Modernization, Colorado Mental Health Institutes	DHS	New	11,812,033	460,414,325	0 Yes
	52	I-70 Vail Pass Rest Area Waste Water Renovation	CDOT	New	1,000,000	461,414,325	0 No
	18	Level 2 Controlled Maintenance (scores 14 through 20, 46 projects)	DPA	New	37,088,124	498,512,449	363,960 N/A
	NPI	Level 3 Controlled Maintenance	DPA	New	22,425,462	520,937,911	700,620 N/A
Subtotal, Remaining Projects					\$368,362,183	\$23,471,834	\$106,102,463
Grand Total, All Projects Requested for State Funding					\$520,937,911	\$180,304,751	\$200,813,186

\*Financed through the sale of certificates of participation. Principal amount (to be repaid from state funds through annual lease payments) = \$91,312,205.

## FY 2018-19 Cash-Funded Capital Projects Recommended for Funding

Project Title	Agency	Project Type	Request Amount – CCF	Request Amount -- CF	Outyear Cost?
Fall Prevention, Fire Control, and Video Surveillance Improvements, Homelake and McCandless	DHS	New	0	781,900	No
Infrastructure and Real Property Maintenance, Wildlife Areas	DNR	Ongoing	0	6,859,315	N/A
Park Infrastructure and Facilities	DNR	Ongoing	0	16,805,025	N/A
Regional Museum Preservation Projects	History Colorado	Ongoing	0	700,000	N/A
Grand Total, All Cash-Funded Requests			\$0	\$25,146,240	